

U.S. SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**Form 10-QSB**

X...Quarterly report under section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended May 31, 2003.

....Transition report under section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from \_\_\_\_\_ to \_\_\_\_\_.

**SUNBURST ACQUISITIONS IV, INC.**  
(Name of small business in its charter)

Colorado	0-23561	84-1431797
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification Number)

103 - 20120 64th Avenue Langley, B.C., Canada	V2Y 1M8
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (303) 321-0461

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No \_\_\_\_

Applicable only to issuers involved in bankruptcy proceedings during the past five years:

Check whether the issuer has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court. Yes \_\_\_\_ No \_\_\_\_

Applicable only to corporate issuers:

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: 35,457,597 as of May 31, 2003.

Transitional Small Business Disclosure Format (Check one):  
Yes \_\_\_\_ No X

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS AND EXHIBITS

(a) The unaudited financial statements of registrant as of and for the period ending May 31, 2003 follow.

SUNBURST ACQUISITIONS IV, INC. and SUBSIDIARY  
FINANCIAL STATEMENTS

Quarter ended May 31, 2003

## INDEX TO FINANCIAL STATEMENTS:

Balance Sheet

Statements of Operations

Statements of Cash Flows

Notes to Financial Statements

Sunburst Acquisitions IV, Inc. and Subsidiary  
(A Development Stage Company)  
**BALANCE SHEET**  
May 31, 2003

**ASSETS**

***CURRENT ASSETS***

Cash and cash equivalents	\$ 14,321
Accounts receivable, net allowance for doubtful account of \$13,360	9,116
Notes receivable, net allowance for doubtful account of \$75,000	-
Other current assets	<u>3,646</u>

<b>Total current assets</b>	<u>27,083</u>
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***OTHER ASSETS***

Deposits on merchandise	<u>176,703</u>
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<b>TOTAL ASSETS</b>	<u><u>\$ 203,786</u></u>
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**LIABILITIES AND STOCKHOLDERS' EQUITY**

***CURRENT LIABILITIES***

Accounts payable	\$ 7,431
Accrued interest	12,426
Notes payable - related parties	<u>28,500</u>

<b>Total current liabilities</b>	<u>48,357</u>
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***LONG-TERM LIABILITIES***

Customer deposits	<u>42,132</u>
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***STOCKHOLDERS' EQUITY***

Preferred stock, no par value; 20,000,000 shares authorized; no shares issued and outstanding	-
Common stock, no par value; 200,000,000 shares authorized; 35,457,597 shares issued and outstanding	1,701,843
Additional paid-in capital from stock options	48,320
Deficit accumulated during the development stage	(1,642,666)
Accumulated other comprehensive income	<u>5,800</u>

	<u>113,297</u>
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<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<u><u>\$ 203,786</u></u>
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The accompanying notes are an integral part of the financial statements.

Sunburst Acquisitions IV, Inc. and Subsidiary  
(A Development Stage Company)  
STATEMENTS OF OPERATIONS

	For the period from inception (August 27, 1997) to May 31, <u>2003</u>	For the three months ended May 31, <u>2003</u>	<u>2002</u>
<b>REVENUES</b>	\$ 246,394	\$ 13,579	\$ -
<b>EXPENSES</b>			
Cost of goods sold	27,425	10,786	-
Selling, general and administrative	<u>1,070,423</u>	<u>(2,158)</u>	<u>109,816</u>
Total expenses	1,097,848	8,628	109,816
<b>NET OPERATING INCOME (LOSS)</b>	(851,454)	4,951	(109,816)
<b>OTHER INCOME AND EXPENSE</b>			
Interest expense	(39,854)	(1,151)	(1,395)
Gain on sale of securities	<u>469,863</u>	<u>-</u>	<u>69,863</u>
<b>NET INCOME (LOSS) FROM CONTINUING OPERATIONS</b>	(421,445)	3,800	(41,348)
<b>DISCONTINUED OPERATIONS</b>			
Loss from operations of HollywoodBroadcasting.com disposed of (net of income taxes of \$0)	(2,066,371)	-	-
Gain on disposition of discontinued operations (net of	<u>845,150</u>	<u>-</u>	<u>-</u>

income taxes of \$0)

<b>NET INCOME (LOSS)</b>	(1,642,666)	3,800	(41,348)
Accumulated deficit			
Balance, beginning of period	<u>-</u>	<u>(1,646,466)</u>	<u>(1,445,664)</u>
Balance, end of period	<u>\$ (1,642,666)</u>	<u>\$ (1,642,666)</u>	<u>\$ (1,487,012)</u>
<b>NET INCOME (LOSS) PER SHARE</b>	<u>\$ (0.01)</u>	<u>\$ (NIL)</u>	<u>\$ (NIL)</u>
Other comprehensive income			
Unrealized foreign exchange income	<u>\$ 5,800</u>	<u>\$ 11,610</u>	<u>\$ 1,008</u>
<b>OTHER COMPREHENSIVE INCOME</b>	<u>\$ 5,800</u>	<u>\$ 11,610</u>	<u>\$ 1,008</u>
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	<u>\$ (1,636,866)</u>	<u>\$ 15,410</u>	<u>\$ (40,340)</u>
<b>TOTAL COMPREHENSIVE INCOME (LOSS) PER SHARE</b>			
Loss from continuing operations	\$ (0.01)	\$ -	\$ -
Loss from discontinued operations	(0.06)	-	-
Gain on disposal of discontinued operations	0.03	-	-
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income (loss)	<u>\$ (0.05)</u>	<u>\$ 0.00</u>	<u>\$ (0.00)</u>
<b>WEIGHTED AVERAGE NUMBER OF SHARES OF COMMON STOCK AND COMMON STOCK EQUIVALENTS OUTSTANDING</b>	<u>33,478,688</u>	<u>35,457,597</u>	<u>32,503,803</u>

The accompanying notes are an integral part of the financial statements.

Sunburst Acquisitions IV, Inc. and Subsidiary  
(A Development Stage Company)  
STATEMENTS OF CASH FLOWS

	<b>For the period from inception (August 27, 1997) to May 31, <u>2003</u></b>	<b>For the three months <u>ended May 31,</u> <u>2003</u></b>	<b><u>2002</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income (loss)	\$ (1,642,666)	\$ 3,800	\$ (41,348)
Adjustments to reconcile net income (loss) to net cash flows from operating activities:			
Gain on sale of securities	(469,863)	-	(69,863)
Foreign exchange loss, unrealized	5,800	11,610	1,008
Issuance of options	79,320	-	62,000
Depreciation	52,332	-	-
Allowance for doubtful accounts	88,360	-	-
Discontinued operations	(846,150)	-	-
(Increase) decrease in inventory	(57,705)	22,245	-
Decrease in other assets	(655,606)	(89,489)	(88,153)
(Increase) decrease in accounts receivable	(30,614)	12,128	-
Increase in stock subscriptions	-	-	162,146
	-		
Increase (decrease) in accrued expenses	146,789	1,151	(1,105)
Increase in customer deposits	42,132	42,132	-
Increase in accounts payable	<u>126,325</u>	<u>1,167</u>	<u>2,218</u>
Net cash flows from operating activities	(3,161,546)	4,744	26,903
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of investment	(22,353)	-	-
Maturity of investment	22,353	-	-
Proceeds from sale of securities	394,863	-	69,863
Purchase of property and equipment	<u>(208,585)</u>	<u>-</u>	<u>-</u>
Net cash flows from investing activities	186,278	-	69,863

**CASH FLOWS FROM FINANCING  
ACTIVITIES**

Proceeds of sale of discontinued operations	1,000	-	-
Related party debt	691,056	-	(33,000)
Proceeds from notes payable to stockholders	548,191	-	-
Proceeds from notes payable	100,500	-	-
Proceeds from exercise of options	33,000	-	30,000
Issuance of common stock	<u>1,615,842</u>	<u>-</u>	<u>-</u>
Net cash flows from financing activities	<u>2,989,589</u>	<u>-</u>	<u>(3,000)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	14,321	4,744	93,766
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	<u>-</u>	<u>9,577</u>	<u>460</u>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<u>\$ 14,321</u>	<u>\$ 14,321</u>	<u>\$ 94,226</u>

The accompanying notes are an integral part of the financial statements.



**Sunburst Acquisitions IV, Inc. and Subsidiary**  
**(A Development Stage Company)**  
**Notes to Financial Statements**  
**May 31, 2003**

**1. Management's Representation of Interim Financial Information**

The accompanying financial statements have been prepared by Sunburst Acquisitions IV, Inc. without audit pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted as allowed by such rules and regulations, and management believes that the disclosures are adequate to make the information presented not misleading. These financial statements include all of the adjustments which, in the opinion of management, are necessary to a fair presentation of financial position and results of operations. All such adjustments are of a normal and recurring nature. These financial statements should be read in conjunction with the audited financial statements at February 28, 2003.

**Item 2.           MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS**

**SPECIAL NOTE OF CAUTION REGARDING FORWARD-LOOKING STATEMENTS**

Certain statements in this report, including statements in the following discussion which are not statements of historical fact, are what are known as "forward looking statements," which are basically statements about the future. For that reason, these statements involve risk and uncertainty since no one can accurately predict the future. Words such as "plans," "intends," "will," "hopes," "seeks," "anticipates," "expects" and the like often identify such forward looking statements, but are not the only indication that a statement is a forward looking statement. Such forward looking statements include statements concerning our plans and objectives with respect to the present and future operations of the Company, and statements which express or imply that such present and future operations will or may produce revenues, income or profits. Numerous factors and future events could cause the Company to change such plans and objectives or fail to successfully implement such plans or achieve such objectives, or cause such present and future operations to fail to produce revenues, income or profits. Therefore, the reader is advised that the following discussion should be considered in light of the discussion of risks and other factors contained in this report on Form 10QSB and in the Company's other filings with the Securities and Exchange Commission. No statements contained in the following discussion should be construed as a guarantee or assurance of future performance or future results.

**Liquidity and Capital Resources**

We remain in the development stage. Since inception we have undergone two unsuccessful business combinations which have caused us to incur significant liabilities and have resulted in the accumulation of a substantial deficit during the development stage. As of May 31, 2003, we have total current assets of \$27,083, total current liabilities of \$48,357, and a deficit of \$1,642,666 accumulated in the development stage.

During the first quarter of 2003 (March – May) there were no private placements or any changes to our issued capital. Our issued and outstanding shares remain at 35,457,597. We had cash on hand of \$14,321 as of May 31, 2003.

We plan to use our cash on hand and revenues from product sales to pay on-going expenses related to compliance with our reporting obligations under the Securities Exchange Act of 1934. We currently believe that when the manufacturer (Romlight) commences regular delivery of the ballast we will be able to sell ballasts and collect payments from purchasers before delivery of the product. Therefore, we plan to pay for the purchase of the ballasts on delivery using funds generated from sale of the units. If we begin receiving regular deliveries of units from the manufacturer and are able to implement this plan, our current cash on hand combined with revenues from product sales will be adequate to satisfy our cash needs for the next twelve months. However, since there is no assurance that these funds will be sufficient to satisfy our cash needs, we also intend to continue to seek additional funding for working capital needs.

Management cautions that over the last year the manufacturer has not been able to deliver a quality product. However, 20 samples of the 600-watt ballast delivered the week of July 1<sup>st</sup> have passed our initial tests and we are optimistic that a quality product can be produced. Due to past problems, we plan to carry out further tests before shipping ballasts to our customers.

#### Plan of Operations

We remain in the development stage. Our plan of operations for the fiscal year of 2003 is to continue our efforts to develop a business related to the marketing, distribution and sale of digital electronic ballasts through our wholly owned Canadian subsidiary, Sunburst Digital, Inc.

At the beginning of the previous fiscal year, we had signed a sub-distributorship agreement with 1357784 Ontario Ltd (“EPI”) pursuant to a contract between EPI and Romlight International, the manufacturer. However, both the contract between EPI and Romlight, and the sub-distributorship agreement have now been cancelled. Our subsidiary, Sunburst Digital, Inc. signed an agreement directly with Romlight on April 2, 2003. The terms and conditions of the new agreement are the same as those contained in our original agreement with EPI, and under the new agreement all deposits that we had previously paid to EPI have been forwarded to Romlight.

Also, under the terms of the new agreement with Romlight, we have an annual purchase commitment of 100,000 ballasts. However, this commitment is subject to the ability of the manufacturer to produce and deliver ballasts in a timely fashion. During the previous fiscal year, Romlight was not able to deliver the product. Under the new contract, our annual purchase commitment will not commence until the first 5,000 ballasts have been received. This is unlikely to happen before November 2003.

We did previously take delivery of 500 400-watt ballasts. However, some of our customers experienced problems with them, and as a result, we recalled all of the ballasts and sent all of them back to Romlight to be re-worked.

We also previously received 200 samples of the 600-watt ballasts. All were tested and due to a high failure rate of approximately 25% all have been sent back to Romlight to be checked and re-worked.

A further revised delivery schedule has been received from Romlight. They have indicated that a ramp up of production is expected in August and we have been informed that the 5,000-unit order is expected to be completed by the end of October 2003. We currently expect to receive gross revenues of approximately \$750,000 from the sale of 5,000 units. We have received \$42,132 as deposits from customers. Given Romlight's past history, there is no guarantee of delivery.

We continue to test all sizes of the ballast and, as part of our marketing efforts, have made arrangements to have the electronic ballast introduced to a number of potential users. We caution, however, that the ballasts are a new product and that acceptance may be limited.

We believe that the quality of the product from 70 up to 600-watts is becoming more consistent, but do not intend to ship it to purchasers unless we are satisfied that it meets our performance expectations. We are continuing to initiate efforts to contact potential customers, and for that purpose, offices have been set-up in the UK and in Eastern Europe. Once again, quality and timely delivery of the ballasts remain a problem. Romlight has recently received capital to fund our order. This we expect will help overcome delivery issues.

During the quarter we purchased 40 "Equalizers," a product that reduces electrical consumption in homes and businesses. All of the equalizers were sold generating \$13,579.00 in revenue and a small profit.

We are also evaluating other energy-efficient products which have the potential to be marketed to the hydroponics industry.

### ITEM 3. CONTROLS AND PROCEDURES

The Company's Chief Executive Officer and Chief Financial Officer (or those persons performing similar functions), after evaluating the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-14(c) and 15d-14(c) under the Securities Exchange Act of 1934, as amended) as of a date within 90 days before the filing date of this quarterly report (the "Evaluation Date"), have concluded that, as of the Evaluation Date, the Company's disclosure controls and procedures were effective to ensure the timely collection, evaluation and disclosure of information relating to the Company that would potentially be subject to disclosure under the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder. There were no significant changes in the Company's internal controls or in other factors that could significantly affect the internal controls subsequent to the Evaluation Date.

## PART II - OTHER INFORMATION

### ITEM 2. CHANGES IN SECURITIES

None.

### ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

The following exhibits are filed herewith:

- (a) CERTIFICATIONS PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002 are filed herewith.
- (b) Exhibits 99.1 and 99.2, CEO AND CFO CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 are filed herewith.
- (c) No reports on Form 8-K were filed by the Company for the quarter ended May 31, 2003.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

### **SUNBURST ACQUISITIONS IV, INC.**

By: /S/ TERRY FIELDS

Terry Fields, President and Director

By: /S/ KELLY ZASTOWNY

Kelly Zastowny, Director

Date: July 11, 2003

## CERTIFICATION

### CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Terry Fields, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Sunburst Acquisitions IV, Inc.
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:
  - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
  - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
  - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/S/ TERRY FIELDS

Date: July 11, 2003

President and Director

## CERTIFICATION

### CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Kelly Zastowny, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Sunburst Acquisitions IV, Inc.
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:
  - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
  - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
  - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/S/ KELLY ZASTOWNY

Date: July 11, 2003

Director

Exhibit 99.1

SUNBURST ACQUISITIONS IV, INC.

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Sunburst Acquisitions IV, Inc. (the "Company") on Form 10-QSB for the period ending May 31, 2003, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Terry Fields, President and a Director of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By:/S/ TERRY FIELDS

Terry Fields, President and Director

Date: July 11, 2003



Exhibit 99.2

SUNBURST ACQUISITIONS IV, INC.

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Sunburst Acquisitions IV, Inc. (the “Company”) on Form 10-QSB for the period ending May 31, 2003, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Kelly Zastowny, a Director of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By:/S/ KELLY ZASTOWNY

Kelly Zastowny, Director

Date: July 11, 2003